(c) According to the latest Statistics published by the World Trade Organisation (WTO), China's exports were higher than its imports in recent years.

(d) A number of factors which include domestic demand and supply conditions, exchange rate policy of the Government and international factors contribute to trade deficit. The growing trade deficit in India is primarily a reflection of growing demand for inputs and capital goods required for manufacturing activities. It also reflects the sharp increase in the international prices of oil which constitutes a significant share of the import bill. At present there are no measures to restricts imports or artificially balance trade which could lead to dampening of the growth of the economy and a resurgence of inflationary pressures.

Increase in import

†241. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that in comparison to export, import is increasing continuously during the past years in the country;

(b) if so, the difference between import and export during the year 2004-05 and after the first three months of year 2005-06;

(c) whether it is also a fact that number of those items are imported in the country which are exported as well; and

(d) if so, the names of these items and the reasons for importing such items which are exported as well?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) In the last few years imports have grown at a faster rate than exports. During 2004-05 India's merchandise exports grew at 24% whereas imports increased by 37% resulting in a trade deficit of almost US $ 28 billion. During the first three months of the current financial year—April-June 2005-06 India's exports increased by 20% whereas imports grew by 38% giving rise to trade deficit amounting to US $ 11 billion.

†Original notice of the question was received in Hindi.

(c) and (d) Some of the imports in India consist of products on which further value is added for exports. The prinicipal products of exports using imported inputs for value addition include gems & jewellery, petroleum products, cashewnuts etc. Imports of inputs not only makes exports possible at competitive prices but also generates additional employment in the domestic economy.

Promotion of business with USA, China and Russia

242. SHRI SANJAY RAUT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have explored further possibilities to promote business with U.S.A., China and Russia during the last three months;

(b) if so, the names of items whose export and import is possible with these countries; and

(c) the other areas where business can be promoted and the facilities proposed to be provided by Government to Indian businessmen for this purpose?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (c) The position in respect of Promotion of Business with USA, China and Russia is as follows:—

USA Expansion of Indo-US trade is a sustained and continuous effort of the Government. Areas that have received particular attention are gems and jewellery, textiles and apparel, pharmaceuticals, chemicals, marine products, engineering goods including auto and auto parts, processed agricultural items and leather and leather products. Information Technology enabled services, biotechnology and other knowledge based industries are some of the other identified thrust areas.

Trade facilitation is a continuous and ongoing process. Efforts are regularly made to expand and diversify trade through various trade promotion measures such as market research, information dissemination, Buyer-Seller Meets, Participation in important trade fairs etc.

CHINA Steps being taken, on an on-going basis, for promotion of business with China include participation in trade fairs/exhibitions, exchanges of delegations at both governmental and business levels,